As regards obtaining water, it has been accepted in principle to allocate 1 MGD of water for 2 years from Machhu-II reservoir for construction of refinery. For setting up of the refinery, RPL has requested the Gujarat Maritime Board for signing a MOU covering Marine activities, such as installation of SBM, laying of subsea pipeline and construction of jetty.

ONGC'S invitations to private enterprises

2925. SHRI CHIMANBHAI MEHTA:
SHRI SARADA MOHANTY:
SHRI SUBRAMANIAN SWAMY:
SHRIMATI RENUKA CHOWDHURY:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to refer to the answer to Starred Question 91 given in the Rajya Sabha on 8th December, 1993 and state:

(a) whether the "Sound management practices State-of-art technology as well as cost effectiveness through reduced over heads etc." is not available with ONGC;

(b) what is the difference between international prices and local prices;

(c) what is the pricing of internationally accepted principles and local pricing of gas;

(d) what is the corporate I.T. paid by ONGC and the difference between tax levied on ONGC and these private companies.

(e) what is the percentage of exemption of duty for above referred private companies and duty paid by ONGC;

(f) whether it has been worked out in quantum that at what cost ONGC would buy oil per barrel and 1000 Cubic metres of gas from these private companies and how it compares with ONGC's own production cost and prices;

(g) whether the tentative profit estimates have been worked out of the private contracting parties per barrel of oil and 1000 Cubic meter gas; and

(h) what are the details of the private companies who have accepted contract offers of ONGC?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (CAPT. SATISH SHARMA): (a) While sound management practices, State-of-art technology and cost effectiveness are part of ONGC's management ethos, there is always scope for improvement through exposure to new technology and management prectices.

(b) While local prices are fixed on the basis of the cost of production with a reasonable return to the oil companies, international prices depend on demand and supply factors.

(c) While local prices of gas are fixed on the basis of the cost of production plus a reasonable return to the companies, price of gas on internationally accepted principles is generally related to the price of a fuel oil of comparable thermal equivalence.

(d) ONGC pays corporate income tax at the rate of 45%, with a 15% surchage on income tax. Private companies participating in the development of discovered fields are required to pay income tax at a fixed rate of 50%, with no surcharge being applicable.

(e) While the customs duty for ONGC is at the rate of 30%, this gets modified to the extent deemed export benefits are available for supplies. For the private parties, this will be governed by bid conditions and contractual terms.

(f) & (g) These depend on the pricing formulae agreed to in different countracts.

(h) Contracts are yet to be signed.